

Message Text

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61

ACTION ARA-10

INFO OCT-01 ISO-00 SS-15 NSC-05 SP-02 CIAE-00 DODE-00

INR-07 NSAE-00 PA-02 USIA-15 PRS-01 L-02 EB-07 IO-10

AID-05 COME-00 OMB-01 TRSE-00 AGR-10 STR-04 /097 W

----- 027687

R 072028Z APR 75

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 2777

UNCLAS SANTIAGO 2082

EO 11652: N/A

TAGS: CI, ECON, AFSP, ALOW, AFIN

SUBJECT: INFLATION IN MARCH

REF: (A) SANTIAGO 1481

1. NATIONAL STATISTICAL INSTITUTE (INE) HAS REPORTED MARCH RISE IN CONSUMER PRICE INDEX (CPI) OF 21.2 PERCENT OVER FEBRUARY. HIGHEST INCREASE OCCURRED IN CLOTHING CATEGORY (38.7 PERCENT), FOLLOWED BY HOUSING (33.0 PERCENT), MISCELLANEOUS (21.8 PERCENT) AND FOOD (13.0 PERCENT).
2. INFLATION FOR FIRST QUARTER 1975 STANDS AT 60.9 PERCENT. INFLATION OVER PRECEDING TWELVE MONTHS JUMPED FROM 344.8 PERCENT LAST MONTH TO 371.9 PERCENT IN MARCH, REVERSING THE DOWNWARD TREND WHICH BEGAN IN MID-1974.
3. INE HEAD CHAPARRO STATED THAT HOUSING INCREASE REFLECTS FACT THAT FIGURES INCLUDE RECENTLY COMPLETED QUARTERLY RENTAL SURVEY. CLOTHING RISE REFLECTS PRICES OF CLOTHING FOR SCHOOL CHILDREN AS NEW SCHOOL YEAR BEGINS.
4. COMMENT: GOC CAN NO LONGER BLAME INFLATION PROBLEMS ON EFFECTS OF POLICIES FOLLOWING BY PREVIOUS REGIME OR WORSENING INTERNATIONAL TERMS OF TRADE. DURING RECENT VISIT ECONOMIST MILTON FRIEDMAN TOOK EXCEPTION TO SUCH ANALYSIS, UNCLASSIFIED

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ASSERTING THAT CHILE CREATING OWN PROBLEMS DUE TO HIGH RATE

GOVERNMENT EXPENDITURES WITH RESULTING HIGH DEFICITS. GOC
ECONOMIC ADVISORS ARE IN AGREEMENT, AND LOCAL PRESS HAS NOW
PICKED UP THEME.
POPPER

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NNN

Message Attributes

Automatic Decaptioning: X
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Disposition Event:
Disposition History: n/a
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Drafter: n/a
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